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THE FINANCIAL CENTER  
666 WALNUT STREET  
SUITE 2500  
DES MOINES, IA 50309-3993

EXAMINER
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ZURITA, JAMES H

ART UNIT	PAPER NUMBER
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3625

DATE MAILED: 02/02/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

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## Office Action Summary

Application No.

09/884,868

Applicant(s)

LOURIE, RONALD

Examiner

James H Zurita

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --  
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 01 November 2004.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-5 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-5 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☒ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- |  |   |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892)   | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                                   | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152)             |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)<br>Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____  |

## **DETAILED ACTION**

### ***Response to Amendment***

A First Office Action of 29 July 2004 rejected claims 1-5.

On 1 November 2004, applicant amended claims 1, 3-5.

Claims 1-5 are pending and will be examined.

### ***Response to Arguments***

Applicant's arguments filed 1 November 2004 have been fully considered but they are not persuasive.

In view of the amendment, objections to the claims are withdrawn.

Please see below under *Affidavit under 37 CFR 1.131*.

### ***Affidavit under 37 CFR 1.131***

The affidavit/declaration of attorney Daniel Rosenberg filed 1 November 2004 under 37 CFR 1.131 has been carefully considered but is ineffective to overcome the Southworth reference.

### **Failure to establish diligence**

The evidence submitted is insufficient to establish diligence from a date prior to the date of reduction to practice of the ***Southworth*** reference to either a constructive reduction to practice or an actual reduction to practice. In the present case, the applicant's have not properly established diligence through sketches, notebook entries, etc. for the entire time from prior to the date of the

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*Southworth* reference up to the date of reduction to practice. "An applicant must account for the entire period during which diligence is required." *Gould v. Schawlow*, 363 F.2d 908, 919, 150 USPQ 634, 643 (CCPA 1966). Statements that the subject matter "was diligently reduced to practice" is not a showing "but a mere pleading." *In re Harry*, 333 F.2d 920, 923, 142 USPQ 164, 166 (CCPA 1964). Diligence requires that Applicants must be specific as to dates and facts. *Kendall v. Searles*, 173 F.2d 986, 993, 81 USPQ 363, 369 (CCPA 1949). (Also see MPEP 2138.06).

#### Lacks NAFTA/WTO allegation

The affidavit or declaration must contain an allegation that the acts relied upon to establish the date prior to the reference or activity were carried out in this country or in a NAFTA country or WTO member country. (See MPEP 715.07(c) and 35 U.S.C. 104).

#### Failure to establish conception

The evidence submitted is insufficient to establish a conception of the invention prior to the effective date of the *Southworth* reference. While conception is the mental part of the inventive act, it must be capable of proof, such as by demonstrative evidence or by a complete disclosure to another. Conception is more than a vague idea of how to solve a problem. The requisite means themselves and their interaction must also be comprehended. See *Mergenthaler v. Scudder*, 1897 C.D. 724, 81 O.G. 1417 (D.C. Cir. 1897). In the present case,

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applicants have not properly supported conception of their invention through sketches, notebook entries, programming code, high-level system diagrams, use cases, etc.

Failure to reduce to practice (Actual)

The evidence submitted is insufficient to establish a reduction to practice of the invention in this country or a NAFTA or WTO member country prior to the effective date of the *Southworth* reference. An actual reduction to practice requires a showing of the invention in a physical or tangible form that shows every element of the count. See *Wetmore v. Quick*, 536 F.2d 937, 942, 190 USPQ 223, 227 (CCPA 1976). For an actual reduction to practice, the invention must have been sufficiently tested to demonstrate that it will work for its intended purpose, but it need not be in a commercially satisfactory stage of development. If a device is so simple, and its purpose and efficacy so obvious, construction alone is sufficient to demonstrate workability. *King Instrument Corp. v. Otari Corp.*, 767 F.2d 853, 860, 226 USPQ 402, 407 (Fed. Cir. 1985); (Also see MPEP 715.02 and 715.07) In the present case, the evidence submitted by the applicants fails to show the claimed limitations of internet-accessible interfaces, including selected web page flows that clearly illustrate, for example, that a requestor interface does not enable a user to modify typography. Additional evidence may be provided in the form of test results for unit testing, string testing, user acceptance testing, production testing. For example, such results may include hash totals, number of input records, expected output, correction of

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detected errors, etc. for each of unit test region, UAT region, production region.

In contrast, the documents fail to show web page flows for internet profile management interfaces accessible to selected institutional representatives.

There is no provision of results for testing accessibility restrictions to various levels of users, for example.

#### Lacks Signature or Punishment Paragraph

The affidavit submitted by the applicants is defective because it lacks *applicant's signature* and an accompanying clause regarding "willful false statements..." required by 37 CFR 1.68. Please note who may sign:

§ 1.131 Affidavit or declaration of prior invention.

(a) When any claim of an application or a patent under reexamination is rejected, the inventor of the subject matter of the rejected claim, the owner of the patent under reexamination, or the party qualified under §§ 1.42, 1.43, or 1.47, may submit an appropriate oath or declaration to establish invention of the subject matter of the rejected claim prior to the effective date of the reference or activity on which the rejection is based.

#### Lack of Drawings and/or Explanation

37 CFR 1.131(b) states "Original exhibits of drawings or records, or photocopies thereof, must accompany and form part of the affidavit or declaration or their absence satisfactorily explained." In the present case, the Applicants have neither provided the Patent Office with drawings, records, or photocopies for use cases, entity relationship diagrams, load balancing considerations and tradeoffs, traffic analysis, database normalization steps, etc., nor have they satisfactorily explained the absence of such documents.

For these reasons, the declarations are rejected.

### ***Drawings***

The drawings are objected to under 37 CFR 1.83(a) for the following reasons:

Fig. 5 fails to mention a merchant's web site in, as described in the specification.

Figs. 2 and 4 should be designated by a legend such as --Prior Art-- because only that which is old is illustrated.

Claim 4 refers to transferring said payment from said consumer to said merchant to said merchant's acquiring bank and then to said merchant. This flow is not indicated in any of the figures. The drawings must show every feature of the invention specified in the claims. Therefore, claim 4's limitation "...transferring said payment from said consumer to said merchant to said merchant's acquiring bank and then to said merchant..." must be shown or the feature(s) canceled from the claim(s). No new matter should be entered.

Any structural detail that is essential for a proper understanding of the disclosed invention should be shown in the drawing. MPEP § 608.02(d). Corrected drawing sheets are required in reply to the Office action to avoid abandonment of the application. Any amended replacement drawing sheet should include all of the figures appearing on the immediate prior version of the sheet, even if only one figure is being amended. The figure or figure number of an amended drawing should not be labeled as "amended."

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If a drawing figure is to be canceled, the appropriate figure must be removed from the replacement sheet, and where necessary, the remaining figures must be renumbered and appropriate changes made to the brief description of the several views of the drawings for consistency. Additional replacement sheets may be necessary to show the renumbering of the remaining figures. The replacement sheet(s) should be labeled "Replacement Sheet" in the page header (as per 37 CFR 1.84(c)) so as not to obstruct any portion of the drawing figures. If the changes are not accepted by the examiner, the applicant will be notified and informed of any required corrective action in the next Office action. The objection to the drawings will not be held in abeyance.

The objection to the drawings will not be held in abeyance.

### ***Claim Rejections - 35 USC § 101***

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-5 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. These comments elaborate on the rejection set forth in the previous Office Action.

As an initial matter, the United States Constitution under Art. I, §8, cl. 8 gave Congress the power to "[p]romote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries". In carrying out this power, Congress

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authorized under 35 U.S.C. §101 a grant of a patent to "[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition or matter, or any new and useful improvement thereof." Therefore, a fundamental premise is that a patent is a statutorily created vehicle for Congress to confer an exclusive right to the inventors for "inventions" that promote the progress of "science and the useful arts". The phrase "technological arts" has been created and used by the courts to offer another view of the term "useful arts". See *In re Musgrave*, 167 USPQ (BNA) 280 (CCPA 1970). Hence, the first test of whether an invention is eligible for a patent is to determine if the invention is within the "technological arts".

Further, despite the express language of §101, several judicially created exceptions have been established to exclude certain subject matter as being patentable subject matter covered by §101. These exceptions include "laws of nature", "natural phenomena", and "abstract ideas". See *Diamond v. Diehr*, 450, U.S. 175, 185, 209 USPQ (BNA) 1, 7 (1981). However, courts have found that even if an invention incorporates abstract ideas, such as mathematical algorithms, the invention may nevertheless be statutory subject matter if the invention as a whole produces a "useful, concrete and tangible result." See *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* 149 F.3d 1368, 1973, 47 USPQ2d (BNA) 1596 (Fed. Cir. 1998).

This "two prong" test was evident when the Court of Customs and Patent Appeals (CCPA) decided an appeal from the Board of Patent Appeals and Interferences (BPAI). See *In re Toma*, 197 USPQ (BNA) 852 (CCPA 1978). In

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*Toma*, the court held that the recited mathematical algorithm did not render the claim as a whole non-statutory using the Freeman-Walter-Abele test as applied to *Gottschalk v. Benson*, 409 U.S. 63, 175 USPQ (BNA) 673 (1972).

Additionally, the court decided separately on the issue of the "technological arts".

The court developed a "technological arts" analysis:

The "technological" or "useful" arts inquiry must focus on whether the claimed subject matter...is statutory, not on whether the product of the claimed subject matter...is statutory, not on whether the prior art which the claimed subject matter purports to replace...is statutory, and not on whether the claimed subject matter is presently perceived to be an improvement over the prior art, e.g., whether it "enhances" the operation of a machine. *In re Toma* at 857.

In *Toma*, the claimed invention was a computer program for translating a source **human** language (e.g., Russian) into a target **human** language (e.g., English). The court found that the claimed computer implemented process was within the "technological art" because the claimed invention was an operation being performed by a computer within a computer.

The decision in *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* never addressed this prong of the test. In *State Street Bank & Trust Co.*, the court found that the "mathematical exception" using the Freeman-Walter-Abele test has little, if any, application to determining the presence of statutory subject matter but rather, statutory subject matter should be based on whether the operation produces a "useful, concrete and tangible result". See *State Street Bank & Trust Co.* at 1374. Furthermore, the court found that there was no "business method exception" since the court decisions that purported to create such exceptions were based on novelty or lack of enablement issues and not on statutory grounds. Therefore, the court held that "[w]hether the patent's

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claims are too broad to be patentable is not to be judged under §101, but rather under §§102, 103 and 112." See *State Street Bank & Trust Co.* at 1377. Both of these analysis goes towards whether the claimed invention is non-statutory because of the presence of an abstract idea. Indeed, *State Street* abolished the Freeman-Walter-Abele test used in *Toma*. However, *State Street* never addressed the second part of the analysis, i.e., the "technological arts" test established in *Toma* because the invention in *State Street* (i.e., a computerized system for determining the year-end income, expense, and capital gain or loss for the portfolio) was already determined to be within the technological arts under the *Toma* test. This dichotomy has been recently acknowledged by the Board of Patent Appeals and Interferences (BPAI) in affirming a §101 rejection finding the claimed invention to be non-statutory. See *Ex parte Bowman*, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001).

In the present case, Applicant actively amended claim 1 to retain steps [1.1, 1.3, 1.4, 1.7 and 1.8.] that can be performed without use of technology. The Examiner has numbered the various steps for applicant's convenience.

1. (Amended) An anonymous method of transaction, said method comprising:
  - 1.1 **providing a card** of predetermined denominational value having an indicia of identification associated with said card and said value;
  - 1.2 [providing...**electronic means**...]
  - 1.3 **issuing said card** to a consumer anonymously in exchange for payment by said consumer of said predetermined denominational value associated with said card;
  - 1.4 **presenting said card** to a merchant as transactional payment to said merchant for a transaction of goods or services, wherein said transactional payment by said consumer to said merchant is less than or equal to said predetermined denominational value associated with said card;
  - 1.5 [verifying ...with said **electronic means** ...]
  - 1.6 [issuing...with said **electronic means**...]
  - 1.7 **completing** said transaction with said merchant by providing said goods or services to said consumer; and

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**1.8** *transferring funds* from said card issuing authority to said merchant in the amount of said transactional payment from said consumer to said merchant.

Please also refer to previous Office Action for definition of a card as a flat usually small and rectangular piece of material, as paper, paperboard or plastic, usually bearing information.<sup>1</sup>

### ***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 1-5 are rejected under 35 U.S.C. 103(a) as being unpatentable over Risafi et al (US 6,473,500) in view of an article by Natalie Southworth, Protecting Online Purchases, Post Tribune, Gary, IN, 26 November 2000, downloaded from Proquest on the Internet on 6 July 2004/(Southworth) and further in view of Rosen (US Patent 5453601).

At the onset, please note that claims 1-5 refer to a card. A card is a flat usually small and rectangular piece of material, as paper, paperboard or plastic, usually bearing information.<sup>2</sup> Claim 1 contains the terms "anonymous" and "anonymously", which, by themselves, provide no patentable distinction to the

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<sup>1</sup> Definition of *card*, MERRIAM WEBSTERS Collegiate Dictionary.

<sup>2</sup> Definition of *card*, MERRIAM WEBSTERS Collegiate Dictionary.

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card or to the method of using said card, or to issuing the card anonymously to a consumer. As such, the term carries little patentable weight.

As per claim 1, **Risafi** discloses limitations of applicant's invention, including:

- 1.1 **providing a card** of predetermined denominational value having an indicia of identification associated with a card and a value. See, for example, at least Col. 2, lines 7-39.
- 1.2 **issuing a card** to a consumer in exchange for payment by a consumer of a predetermined denominational value associated with a card. See, for example, at least references to card dispensing devices, Col. 6, lines 38-58.
- 1.3 **presenting a card** to a merchant as payment to a merchant for a transaction of goods or services, wherein payment by a consumer to a merchant is less than or equal to a predetermined denominational value associated with a card. See, for example, at least references to remaining balance, at least Col. 2, lines 7-38.
- 1.4 **verifying a card** by transmitting indicia of identification and the amount of payment by a consumer to a merchant, from a merchant to a card issuing authority. See, for example, at least references to verifying identification, items and transactions, Col. 13, line 53-Col. 14, line 19.
- 1.5 **issuing an approval code** by a card issuing authority to a merchant. See at least receiving approval, for example Col. 13, line 63-Col. 14, line 19.

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**1.6 completing a transaction** by a merchant providing goods or services to a consumer. See, for example, at least references to purchasing goods and services, for example, Abstract, Col. 1, line 1-Col. 2, line 39.

**1.7 transferring funds** from a card issuing authority to a merchant in the amount of payment from a consumer to a merchant. See, for example, at least references to payments, Col. 19, lines 1-13.

**As per claim 1, Risafi does not** use the term “anonymous.” **Southworth** discloses anonymous cards that may be issued to customers for online purchases such as pornography.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to combine **Risafi** and **Southworth** to disclose the use of anonymous prepaid cards. One of ordinary skill in the art at the time the invention was made would have been motivated to combine **Risafi** and **Southworth** to discloses the use of anonymous prepaid cards for the obvious reason that banks and merchants that wait for standards different from credit cards and debit cards to gain acceptance may lose out on market share, as suggested by **Southworth** on page 2, lines 7-8.

**As per claim 2, Risafi** discloses that a merchant has a Web site and transactions may take place through a merchant's Web site. See, for example, at least Col. 19, line 47-Col. 20, line 24.

**As per claim 5, Risafi** discloses deducting the amount of payment from a consumer to a merchant, from the predetermined value of the card upon issuing

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the approval code. See, for example, at least references to decrementing an account balance, at least Col. 14, lines 1-30.

**As per claims 3-4, *Risafi* and *Southworth*** do not specifically disclose bank payment mechanisms for prepaid cards. They do not specifically disclose transmitting indicia of identification and the amount of payment from a consumer to a merchant, from a merchant to a merchant's acquiring bank and then to a card issuing authority, and issuing an approval code from the card issuing authority to the merchant's acquiring bank and then to the merchant. As in claim 4, they do not specifically disclose first transferring the payment from the consumer to the merchant to the merchant's acquiring bank and then to the merchant.

***Rosen*** discloses systems and methods for transmitting payment and amount identification between consumers and merchants. It would have been obvious to one of ordinary skill in the art at the time the invention was made to combine ***Risafi*, *Southworth* and *Rosen*** to disclose bank payment mechanisms for prepaid cards, to disclose transmitting indicia of identification and the amount of payment from a consumer to a merchant, from a merchant to a merchant's acquiring bank and then to a card issuing authority, and issuing an approval code from the card issuing authority to the merchant's acquiring bank and then to the merchant and to disclose first transferring the payment from the consumer to the merchant to the merchant's acquiring bank and then to the merchant.

One of ordinary skill in the art at the time the invention was made would have been motivated to combine ***Risafi*, *Southworth* and *Rosen*** to disclose

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bank payment mechanisms for prepaid cards, to disclose transmitting indicia of identification and the amount of payment from a consumer to a merchant, from a merchant to a merchant's acquiring bank and then to a card issuing authority, and issuing an approval code from the card issuing authority to the merchant's acquiring bank and then to the merchant and to disclose first transferring the payment from the consumer to the merchant to the merchant's acquiring bank and then to the merchant for the obvious reason that it is important to integrate various payment mechanisms for secure and reliable exchange of economic value.

### ***Conclusion***

**THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.


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Any inquiry concerning this communication or earlier communications from the examiner should be directed to James H Zurita whose telephone number is 703-605-4966. The examiner can normally be reached on 8a-5pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Jeffrey A. Smith can be reached on 703-308-3588. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

James Zurita  
Patent Examiner  
Art Unit 3625  
31 January 2005

  
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